CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

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May 17, 1993

TO: Budget Committee

FROM: Budget Analyst

SUBJECT: May 19, 1993 Budget Committee Meeting

Items 1 and 2 - Files 127-93-2 and 127-93-3

Note: These items were transferred from the Economic Vitality and Social Policy Committee for fiscal impact.

Item: Ordinance amending Part III of the Municipal Code to add credits for newly created jobs to offset business tax and payroll expense tax liabilities (File 127-93-2).

Ordinance amending Section 906A of Article 12A of Part III of the San Francisco Municipal Code (Payroll Expense Tax Ordinance) by increasing tax credits for persons who maintain a fixed place of business within the San Francisco Enterprise Zone and who create new jobs and hire employees qualified under specified government job programs; and amending Section 1005.5 of Article 12-B of Part III of the San Francisco Municipal Code (Business (Gross Receipts) Tax Ordinance) by increasing tax credits for persons who maintain a fixed place of business within the San Francisco Enterprise Zone and who create new jobs and hire employees qualified under specified government jobs programs (File 127-93-3).

Description:

File 127-93-2

The proposed ordinance (File 127-93-2) would add new provisions to the Municipal Code to create an exemption from certain business taxes for firms which create new jobs in San Francisco. The proposed ordinance is intended to provide an incentive for businesses to create jobs in San Francisco which otherwise would be located elsewhere, by exempting firms from the payment of business taxes on new jobs which are created in San Francisco.

Businesses currently pay the City either the payroll tax or the gross receipts tax, whichever results in a higher tax liability. The proposed ordinance would provide a business tax credit computed as the amount of payroll taxes which an employer would pay, in the absence of a tax credit, as a result of the new job. The amount of the tax credit for firms which pay the gross receipts tax would nonetheless be calculated on the basis of the payroll taxes which would result from the new position, as if the firm were paying payroll taxes. The tax credit would then be deducted from the firm's actual liability for the payment of payroll or gross receipts taxes.

During the first 12 months after a job is created, the tax credit would equal 100 percent of a firm's payroll tax liability for the new salary and wages. During the second 12 months after a job is created, the tax credit would equal 50 percent of a firm's payroll tax liability for the new salary and wages.

To ensure that the tax credit would not reduce employers' payroll tax liability for existing jobs, the proposed ordinance provides that no firm could pay less in business taxes after the tax credit than a baseline level, known as the "base year liability." The base year liability would be calculated as the employer's highest payroll tax liability, exclusive of tax credits, in any previous tax year since 1992. Under this provision of the proposed ordinance, the tax credit could only apply to the extent that salary and wages in a given tax year have increased over a baseline level established in a previous year.

File 127-93-3

The proposed ordinance (File 127-93-3) would amend existing provisions of the Administrative Code pertaining to business tax exemptions which are currently permitted for jobs which are created in the City's existing Enterprise Zone. In May, 1992, the California Department of Commerce designated

6,357 acres of property in San Francisco as an Enterprise Zone; this area was increased to a total of 7,952 acres in March, 1993. The Enterprise Zone consists approximately of the Bayview Hunters Point, Mission, South of Market, Potrero Hill, Tenderloin, Chinatown, Western Addition, and Haight Ashbury neighborhoods, as well as the Mission Bay Project Area.

Businesses which create jobs in this Enterprise Zone are currently entitled to receive business tax credits, based on the amount of new salary and wages which are added, over a period of five years. The current exemption is calculated at 50 percent of payroll taxes arising from the new position in the first year after a job is created, 40 percent in the second year, 30 percent in the third year, 20 percent in the fourth year, and 10 percent in the fifth year.

The proposed ordinance would extend tax credits for jobs created within the Enterprise Zone for a period of ten years, rather than for only five years, as currently provided. Under the companion proposed ordinance for all jobs created in San Francisco, the tax credit would expire after only two years, for jobs which are not within the Enterprise Zone

In addition, the proposed ordinance would amend the schedule which is currently used to compute tax credits for jobs created within the Enterprise Zone, in order to make the schedule for tax credits within the Enterprise Zone comparable, during the first year of new employment, to the tax credit provisions of the companion proposed ordinance (File 127-93-2), and to provide, beginning in the second year of new employment, higher tax credits for jobs created within the Enterprise Zone than the tax credits which would apply (File 127-93-2) for jobs created in other areas of the City (see Comment 11).

Comments:

<u>File 127-93-2</u>

1. The proposed ordinance (File 127-93-2) is intended to provide an incentive for employers to create jobs in San Francisco that they would not otherwise locate in San Francisco because of the business tax. However, the effect of the proposed ordinance would be to exempt from payroll taxes all new jobs which were created after the effective date of the ordinance, including some jobs which might be created even if there were no tax credit incentives. Therefore, it is probable that the City could experience some loss of business tax revenue in future years for jobs that would be created,

6,307 acres of property in San Francisco as an Enterprise Zone. [illegible] was increased to a total of 7,352 acres in [illegible]. The Enterprise Zone consists approximately of the Bayview Hunters Point, Mission, South of Market, Potrero Hill, Chinatown, Tenderloin, Western Addition, and Haight Ashbury neighborhoods, as well as the Mission Bay Project Area.

Businesses which create jobs in the Enterprise Zone are currently entitled to receive business tax credits, based on the amount of new salary and wages which are added, over a period of five years. [illegible] 50 percent of payroll costs arising from the new position in the first year after a job is created, 40 percent in the second year, 30 percent in the third year, 20 percent in the fourth year, and 10 percent in the fifth year.

The proposed ordinance would extend tax credits for new created jobs [illegible] Enterprise Zone for a period of [illegible] years, rather than the only five years as currently provided. [illegible]

In addition, the proposed ordinance would amend the [illegible]

Comments:

1. The proposed ordinance [illegible] is intended to provide an incentive for employers to create jobs in San Francisco [illegible]

and for which taxes would be paid, even if there were no tax credit.

This can be seen most easily in the following table, which reflects the effect on the City's business tax of different job creation and job loss scenarios, with and without the proposed tax credit:

Job Creation/Loss Scenario	Without tax credit	With tax credit
(1) Existing jobs which stay	Continued tax revenues	Continued tax revenues
(2) Existing jobs lost in the future	Decline in tax revenues	Decline in tax revenues
(3) Jobs coming to San Francisco with or without a tax credit	New tax revenues	No tax revenues in first 1.5 years per job
(4) Jobs which would not come to San Francisco unless a tax credit is granted	No tax revenues (since these jobs would not be created in the absence of a tax credit)	No tax revenues in first 1.5 years per job; new tax revenues after the tax credit expires

This table reflects that, under the proposed ordinance, business taxes would not be affected for the City's existing jobs (scenarios (1) and (2)).

However, the City would experience a loss of business tax revenues (equal to 100 percent of applicable taxes in the first year and 50 percent of applicable taxes in the second year after a job is created) for new positions which employers are expected to establish in San Francisco out of business necessity, whether or not a tax credit is established (scenario (3)). Thus, the City would experience a loss of business tax revenues, which it otherwise would expect to receive, equal to 100 percent of the tax liability for the first year of each job and 50 percent of the tax liability during the second year of each job.

The table also reflects that the City could not experience a loss of tax revenue from jobs that would only be created as a result of the tax credit (scenario (4)), since, if the City did not provide the tax credit, these jobs would not (by definition) be created in San Francisco. However, any jobs created in San Francisco in response to the tax credit (scenario (4)) would be liable for 50 percent of applicable business taxes during the second year of each new job, and for 100 percent of applicable business taxes beginning in the third year of each new job.

2. According to the most recent projections of the Employment Development Department (EDD), total

employment in San Francisco is projected to increase by 8,900 jobs from the 1990 level of 573,100 to an estimated 582,000 jobs by 1997. (A table showing EDD's projections is attached to this report.)

According to EDD, the gain of 8,900 jobs will result from the combined effect of the loss of 11,500 jobs in the mining, manufacturing, transportation, wholesale, finance, and government sectors, and the addition of 20,400 jobs in the retail and service sectors of the local economy. The Budget Analyst notes that the 11,500 lost jobs would fall into scenario (2) in the table shown above, since a net total of 11,500 jobs are expected to be lost and not replaced, according to EDD.

3. The City would experience a loss of existing tax revenues from the net total of 11,500 existing jobs which are expected to be eliminated and not replaced (scenario (2)). However, this loss of tax revenue would not be attributable to any of the provisions of the proposed ordinance. The Budget Analyst notes that, in theory, some employers may elect not to eliminate jobs if a business tax credit were enacted for existing jobs, but that, in fact, the proposed tax credit would not apply to existing jobs and therefore would not act as a deterrent to the loss of these jobs.

4. Of the 20,400 new jobs which are expected to be added to the service and retail sectors over 7 years between 1990 and 1997 (an average of 2,914 new jobs annually including 2,543 in the Service sector and 371 in the Retail sector), approximately 14,570 new jobs would result in business tax exemptions for employers over the five years (January 1, 1993 through December 31, 1997) that the proposed ordinance would remain in effect (2,914 new jobs annually x 5 years = 14,570 jobs). Thus, 14,570 jobs would fall under scenario (3) above, as jobs which are currently expected to be added even if no tax credits were granted.

Therefore, based on projections of the State EDD, by establishing a business tax credit based on all jobs which were created after January 1, 1993, the City would experience a loss of business tax revenues from an estimated 14,570 jobs which are expected to be created between 1993 and 1997 whether or not a tax credit is available.

5. The City's payroll tax is not computed on the basis of the full wage and salary costs of San Francisco businesses. Rather, the wage and salary costs which are attributable to a firm's business activities outside of San Francisco are deducted from a firm's total wage and salary costs before the

employment in San Francisco is projected to increase by 8,000 jobs from the 1990 level of 578,100 to an estimated 586,000 jobs by 1997. (A table showing EDD's projections is attached to this report.)

According to EDD, the gain of 8,000 jobs will result from the combined effect of the loss of 13,700 jobs in the mining, manufacturing, transportation, wholesale, finance, and government sectors, and net additions of 21,800 jobs in the retail and service sectors of the local economy. The Budget Analyst notes that the 13,700 lost jobs would fall into category (2) in the table on this page, since a net total of 13,700 jobs are expected to be lost and not replaced, according to EDD.

3. The City would experience a loss of existing tax revenues from the net total of 13,700 existing jobs which are expected to be eliminated and not replaced (category (2)). However, this loss of tax revenue would not be attributable to any of the provisions of the proposed ordinance. The Budget Analyst notes that, in theory, some employers may decide to eliminate jobs if a business tax credit were extended for existing jobs, but that, in fact, the proposed tax credit would not apply to existing jobs and, therefore, would not act as a deterrent to the loss of these jobs.

4. Of the 21,800 new jobs which are expected to be added to the service and retail sectors over 7 years between 1990 and 1997, the estimated 3,114 new jobs annually including 2,219 the Service sector and 895 the Retail sector, approximately 18,678 new jobs would result in business tax credits as for employers over the five years (January 1, 1993 through December 31, 1997) that the proposed ordinance would remain in effect at the 18,678 new jobs annually 4.5 years = 14,010 jobs. Thus, 14,010 jobs would fall under category (3) above, jobs which are currently expected to be added even if no tax credits were granted.

Therefore, based on projections of the State EDD, by establishing a business tax credit based on all jobs which were created after January 1, 1993, the City would experience a loss of business tax revenues from an estimated 14,010 jobs which are expected to be created between 1993 and 1997 whether or not a tax credit is granted.

5. The City's annual revenue loss is not expected to be the basis of the full credit and subject basis of these Proposition exemptions, however, the credit and salary costs which are not eligible as a firm's payroll tax. Limit amounts of each firm's taxes are deducted from a firm's total wage and salary costs to form the

payroll tax is computed. In addition, firms having total taxable payrolls less than $166,667 (resulting in a tax liability of $2,500 or less at the current payroll tax rate of 1.5 percent) are not liable for the payroll tax.

Therefore, an estimate of the foregone business tax revenues associated with 14,570 new jobs must incorporate these existing deductions and exemptions.

Mr. Richard Sullivan of the Tax Collector's Office states that the exact amount of the salaries and wages which are attributable to business activities conducted outside of San Francisco, and which therefore cannot be taxed, cannot be estimated with precision. However Mr. Sullivan has estimated that approximately 20 percent of total wages and salaries paid in San Francisco are allocated to business activities which occur outside of the City and are not taxed. In addition, Mr. Sullivan reports that, in 1991, approximately 92.7 percent of total taxable payroll in the Service sector resulted in employers' liability for business tax, while the remaining 7.3 percent was exempt from business taxes under the small business exemption, and was not taxed. Similarly, approximately 87 percent of total taxable payroll in the Retail sector resulted in employers' liability for business tax, while the remaining 13 percent was exempt from business taxes under the small business exemption, and was not taxed.

6. According to EDD, the average annual salary in the Service sector of the local economy in 1991 was $29,207. Based on 2,543 new Service sector jobs which EDD projects will be added annually through 1997 (without the business tax credit), the Budget Analyst estimates that total new wages and salaries in the Service sector will be $74,273,401 on an average annual basis through 1997.

If 20 percent of the total new wages and salaries are allocated to business activities outside of San Francisco, the payroll tax base for these projected new jobs will decrease by 20 percent from $74,273,401 to $59,418,721.

In 1991, 7.3 percent of taxable salary and wages in the Service sector were exempt under the small business exemption. Exempting a similar 7.3 percent for new jobs added in small businesses would reduce the estimated new taxable salaries and wages by $4,337,567, from $59,418,721 to $55,081,154.

The Budget Analyst therefore estimates that $74,273,401 would be paid in new salaries and wages for 2,543 new

Service jobs which are expected to be added annually through 1997. Of the $74,273,401 total salary amount, the business tax credit of the proposed ordinance would apply to $55,081,154 in new salaries and wages. At the current 1.5 percent payroll tax rate (which would be used to compute the tax credit), the Budget Analyst estimates that the City would forego business tax revenues of approximately $826,217 in the first 12 months for each 2,543 new jobs which are created.

7. According to EDD, the average annual salary in the Retail sector of the local economy in 1991 was $18,232. Based on 371 new Retail jobs which EDD projects will be added annually through 1997 (without the business tax credit), the Budget Analyst estimates that total new wages and salaries in the Retail sector will be $6,764,072 on an average annual basis through 1997.

If 20 percent of the total new wages and salaries are allocated to business activities outside of San Francisco, the tax base will decrease by $1,352,814 or 20 percent, from $6,764,072 to $5,411,258.

In 1991, 13 percent of taxable salary and wages in the Retail sector were exempt from taxation under the small business exemption. Exempting a similar 13 percent for new jobs added in small retail businesses would reduce the estimate of new taxable salaries and wages by $703,464, from $5,411,258 to $4,707,794.

The Budget Analyst therefore estimates that $6,764,072 would be paid in new salaries and wages for 371 new Retail jobs which are expected to be added annually through 1997. Of the $6,764,072 total salary amount, the business tax credit of the proposed ordinance would apply to $4,707,794 in new salaries and wages. At the current 1.5 percent payroll tax rate (which would be used to compute the tax credit), the Budget Analyst estimates that the City would forego business tax revenues of approximately $70,617 in the first 12 months for each 371 new Retail jobs which are created.

8. In summary, the total estimated business tax revenues which would be foregone in the first 12 months would be $826,217 for 2,543 Service sector jobs added annually and $70,617 for 371 Retail sector jobs added annually, or a total of $896,834.

Although the City would experience a loss of anticipated business tax revenues as a result of the proposed tax credit (for jobs currently projected to be created), the City could

realize benefits from the creation of other jobs, which would not be created in San Francisco unless the tax credit is enacted (see Comment 14).

9. The proposed ordinance provides that a 100 percent tax credit would apply in the first 12 months after a job is created and a 50 percent tax credit would apply for the second 12 months after a job is created. Therefore, for each new job created, the City's actual foregone business tax revenues would be 150 percent of the annual payroll tax liability resulting from the new position. Accordingly, the 2,914 jobs created annually between 1992 and 1997 would result in foregone business tax revenues of $896,834 in the first year of their existence, and $448,417 in the second year of their existence.

Over the five years in which the proposed ordinance would remain in effect, total business tax revenues which are currently expected to accrue to the City, but which would be foregone if a tax credit were applied for creation of these jobs, would be as follows:

Year	Current Expected Job Growth 1993-1997	1st year tax credit	2nd year tax credit*	Total
1993	2,914	$896,834	0	$896,834
1994	2,914	896,834	$448,417	1,345,251
1995	2,914	896,834	448,417	1,345,251
1996	2,914	896,834	448,417	1,345,251
1997	2,914	896,834	448,417	1,345,251
	14,570			

Total estimated foregone business tax revenues 1993-97: $6,277,838

*Second year tax credit applies at 50 percent of payroll tax liability for jobs which were created in the prior year. For example, foregone revenues in the amount of $448,437 in 1994 would result from the 50% tax credit for jobs created in 1993.

The estimated $6,277,838 in foregone business tax revenues over five years as a result of the proposed ordinance is based on foregone revenues of $896,834 in the first year and $1,345,251 in each subsequent year, or $1,255,568 on an average annual basis over the five years in which the proposed tax credit would remain in effect.

Mr. Sullivan has concurred in the above estimates of the future business tax revenues which the City would receive (based on EDD projections of jobs expected to be added in the

absence of a tax credit), but which would be foregone as a result of the proposed tax credit.

10. The Budget Analyst cannot reasonably predict the number of jobs which could be created in San Francisco as the result of a business tax credit. Businesses which do create new jobs in San Francisco in response to the tax credit would be exempt from the payment of 100 percent of the new tax liability in the first year, and 50 percent of the new tax liability in the second year after the position is created, but would be liable for full payment of business taxes for new jobs after two years following creation of the positions. Therefore, to the extent that the proposed tax credit attracts new jobs to San Francisco which would not otherwise be created in the City, the City would realize increased business tax revenues in future years.

If, for example, 500 to 3,000 new jobs were created annually in response to the proposed tax credit, then the following estimated additional business tax revenues would accrue to the City:

Number of additional jobs created annually	Estimated average annual new tax revenues in the first 5 years	Est. annual new tax revenues after tax credit expires
500	$251,097	$784,677
1,000	502,193	1,569,353
1,500	753,290	2,354,030
2,000	1,004,386	3,138,706
2,500	1,255,483	3,923,383
3,000	1,506,580	4,708,060

The table above reflects that if, for example, 500 to 3,000 additional jobs were created in San Francisco each year as the result of the proposed tax credit, then San Francisco could potentially realize an additional $251,097 to $1,506,580 in new business tax revenues annually during the first five years in which the proposed tax credit would be in effect, and an estimated $784,677 to $4,708,060 annually after all the applicable tax credits have expired beginning in the sixth year, following the sunset of the legislation.

As stated previously, these are estimates based on potential increases in the number of new jobs created in response to the tax credit. However, the extent to which new jobs would actually be created in San Francisco in response to the proposed tax credit cannot be predicted in advance.

File 127-93-3

11. The proposed ordinance (File 127-93-3) would amend the amount of the business tax credit which would apply to jobs created within the existing San Francisco Enterprise Zone, as follows:

Duration of employment	Current tax credit (pct. of tax liability)	Proposed tax credit (pct. of tax liability)
Year 1	50 %	100 %
Year 2	40 %	100 %
Year 3	30 %	50 %
Year 4	20 %	50 %
Year 5	10 %	25 %
Year 6	0	25 %
Year 7	0	15 %
Year 8	0	15 %
Year 9	0	10 %
Year 10	0	10 %

The current business tax credit in the Enterprise Zone creates a disparity between the current business taxes of Enterprise Zone businesses compared to businesses located elsewhere. This disparity in taxation creates an incentive to locate jobs in the Enterprise Zone rather than elsewhere.

As shown in the above table, the proposed ordinance would increase the amount of the tax credit within the Enterprise Zone, and would provide for a continued tax credit in the sixth through tenth years after a job is created within the Enterprise Zone, whereas the existing tax credit within the Enterprise Zone expires after only 5 years.

12. The proposed ordinance would increase the amount of the tax credit which would apply during the first two years after a job is created within the Enterprise Zone, so that the tax credit within the Enterprise Zone would be equivalent to the proposed City-wide tax credit under the companion proposed ordinance during the first year, but higher than the proposed City-wide tax credit in the second through tenth years for jobs created in the Enterprise Zone.

Since jobs created throughout the City would qualify for a 100 percent tax credit in the first year, some of the incentive to locate jobs in the Enterprise Zone, based on the first year tax credit, would be lost. However, the proposed ordinance would also create a higher incentive to locate jobs in the Enterprise

Zone, by increasing the amount of the current tax credit in the 2nd through fifth years and applying a new tax credit in the Enterprise Zone in the sixth through tenth years. In contrast, the proposed tax credit for businesses City-wide would be available for only two years after a job is created, resulting in a continued incentive for businesses to locate in the Enterprise Zone, rather than elsewhere in the City.

For any jobs which would be created in the Enterprise Zone as a result of the current 5-year tax credit, extending the Enterprise Zone tax credit over ten years would result in a loss of business tax revenues, in the sixth through tenth years, since these jobs would not have to begin paying business tax revenues after 5 years. However, the extension of the tax credit to 10 years could result in an increase in the number of jobs created within the Enterprise Zone, if jobs are created in response to a 10-year tax credit which would not be created in response to the current 5-year tax credit.

13. Businesses located in the Enterprise Zone would continue to receive certain Enterprise Zone benefits which still would not be available to other San Francisco businesses, such as sales tax credits for equipment purchases and more favorable loan conditions.

14. Mr. Sullivan indicates that the Tax Collector's Office would require additional resources in order to implement the proposed tax credits. According to Mr. Sullivan, the cost of implementing the proposed ordinance is estimated at approximately $115,400 in the first year. However, Mr. Sullivan indicates that it will be difficult to precisely estimate the new resources which will be needed, since the Tax Collector's costs will depend on the number of firms applying for the tax credit.

15. In summary, as noted above, the proposed tax credits would reduce the growth of business tax revenues which would result from the creation of new jobs even in the absence of a business tax credit. The Budget Analyst estimates the amount of foregone business taxes at $1,255,568 on an average annual basis in fiscal years 1993-94 through 1997-98.

However, it should also be noted that any new jobs which are created in San Francisco in response to the proposed tax credit would generate increased business tax revenues for the City. If, for example, 500 to 3,000 new jobs were created annually in response to the proposed tax credit, the estimated new tax revenues would range from $251,097 to $1,506,580

annually during the first five years, and between $784,677 and $4,708,060 annually in subsequent years. However, the number of jobs which would actually be created cannot reasonably be predicted in advance.

The addition of new jobs in response to the proposed tax credit could also generate other direct sources of revenue for the City, such as higher sales and property tax revenues, depending on the extent to which the new workers expended their wages and located their homes in San Francisco. Moreover, the creation of any additional jobs would also affect the overall level of economic activity in the City, by increasing consumption, spending, and investment. The magnitude of the positive impact of indirect revenues to the City would depend on the nature of the jobs created, the wages which were paid, and the residential and spending patterns of the new workers.

Recommendation: Approval of the proposed ordinances is a policy matter for the Board of Supervisors.

San Francisco County
Wage and Salary Employment by Nonagricultural Industry*
1990 Annual Average and Projected 1997 Employment

	1990	1997 (projected)	Absolute Change	Percent Change
Nonagricultural employment	573,100	582,000	8,900	1.6%
Mining & construction	15,700	15,500	-200	-1.3%
Manufacturing	39,100	37,000	-2,100	-5.4%
Nondurable goods	32,500	31,500	-1,000	-3.1%
Food & kindred products	5,000	4,800	-200	-4.0%
Apparel	14,100	14,200	100	0.7%
Printing & publishing	9,400	9,200	-200	-2.1%
Other nondurables	4,000	3,300	-700	-17.5%
Durable goods	6,600	5,500	-1,100	-16.7%
Primary & fabricated metals	1,500	1,100	-400	-26.7%
Transportation equipment	1,000	800	-200	-20.0%
Other durables	4,100	3,600	-500	-12.2%
Transportation & public utilities	38,500	37,000	-1,500	-3.9%
Transportation	20,400	20,000	-400	-2.0%
Communications & utilities	18,100	17,000	-1,100	-6.1%
Wholesale trade	29,800	27,300	-2,500	-8.4%
Retail trade	78,900	81,500	2,600	3.3%
Department stores	7,900	7,700	-200	-2.5%
Food stores	8,400	8,900	500	6.0%
Apparel stores	9,500	9,800	300	3.2%
Restaurants & bars	32,300	32,700	400	1.2%
Other retail trade	20,800	22,400	1,600	7.7%
Finance, insurance, & real estate	75,800	71,600	-4,200	-5.5%
Finance	46,000	42,700	-3,300	-7.2%
Insurance	19,300	18,100	-1,200	-6.2%
Real estate	10,500	10,800	300	2.9%
Services	202,500	220,300	17,800	8.8%
Hotels & motels	18,300	19,000	700	3.8%
Business services	53,300	62,300	9,000	16.9%
Health services	25,400	27,200	1,800	7.1%
Legal services	20,800	22,800	2,000	9.6%
Social services & membership	22,400	23,900	1,500	6.7%
Engrng, acctng, research & mngmt	30,200	31,800	1,600	5.3%
Other services	32,100	33,300	1,200	3.7%
Government**	92,800	91,800	-1,000	-1.1%
Federal government	28,600	26,500	-2,100	-7.3%
State & local government	64,200	65,300	1,100	1.7%

* Employment is by place of work and does not include persons involved in labor-management trade disputes.

** Includes all civilian government employees regardless of activity in which engaged.

Note: Parts may not add to totals due to independent rounding.

March 1991 benchmark.

Source: Employment Development Department